

THE ECONOMIC AND FISCAL IMPACT OF NEW MARKET TAX CREDITS IN NORTH CAROLINA

Methodology



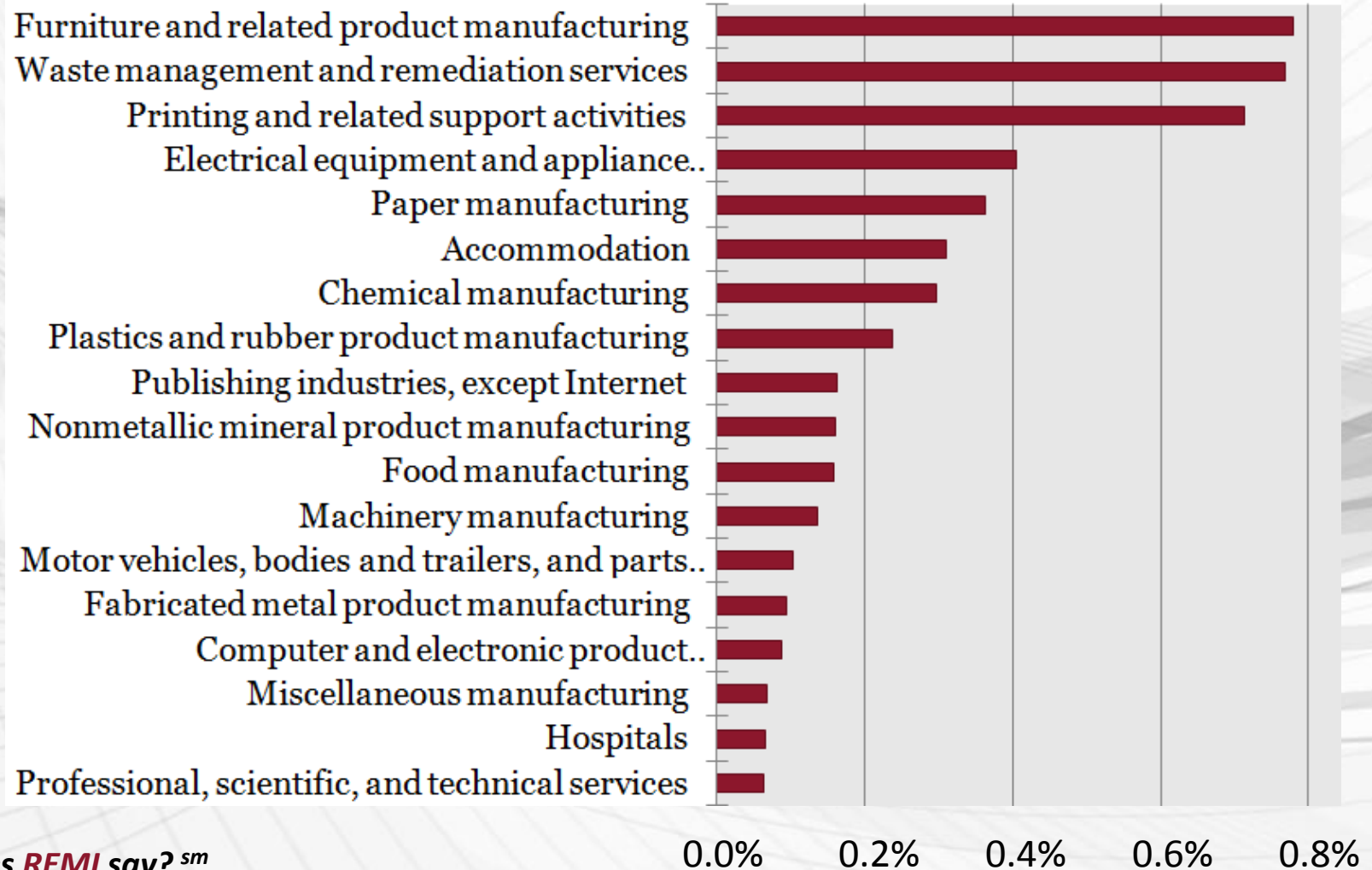
Data on characteristics of 200+ firms in six states with previous new market programs

Identify patterns in those firms' industries, employment, payroll, and credit allocations

Input trended jobs and payroll by industry for \$10 million/year of new markets credits

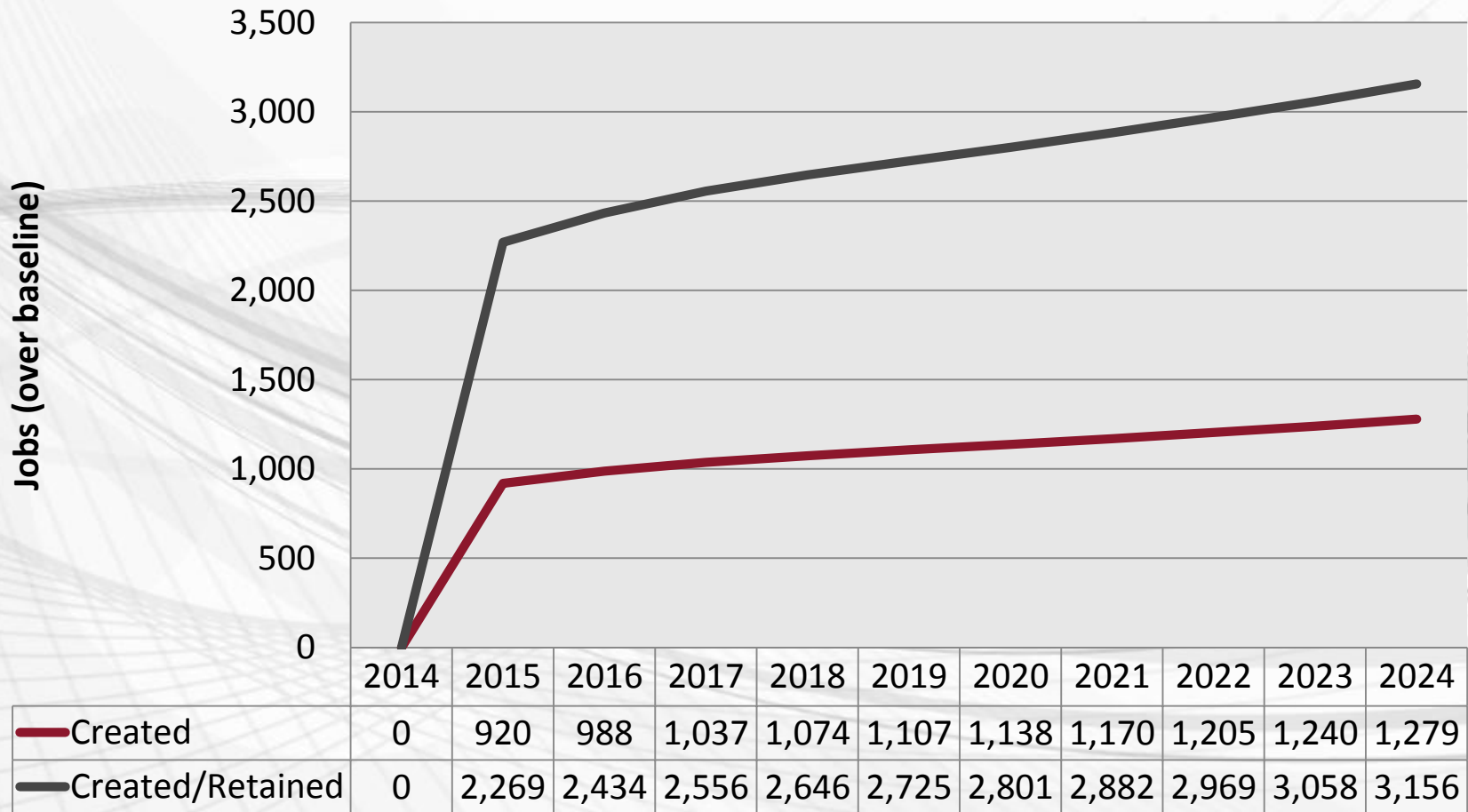
Economic impacts (job, GDP, income) and fiscal impact (revenues, cost of credits)

Industries



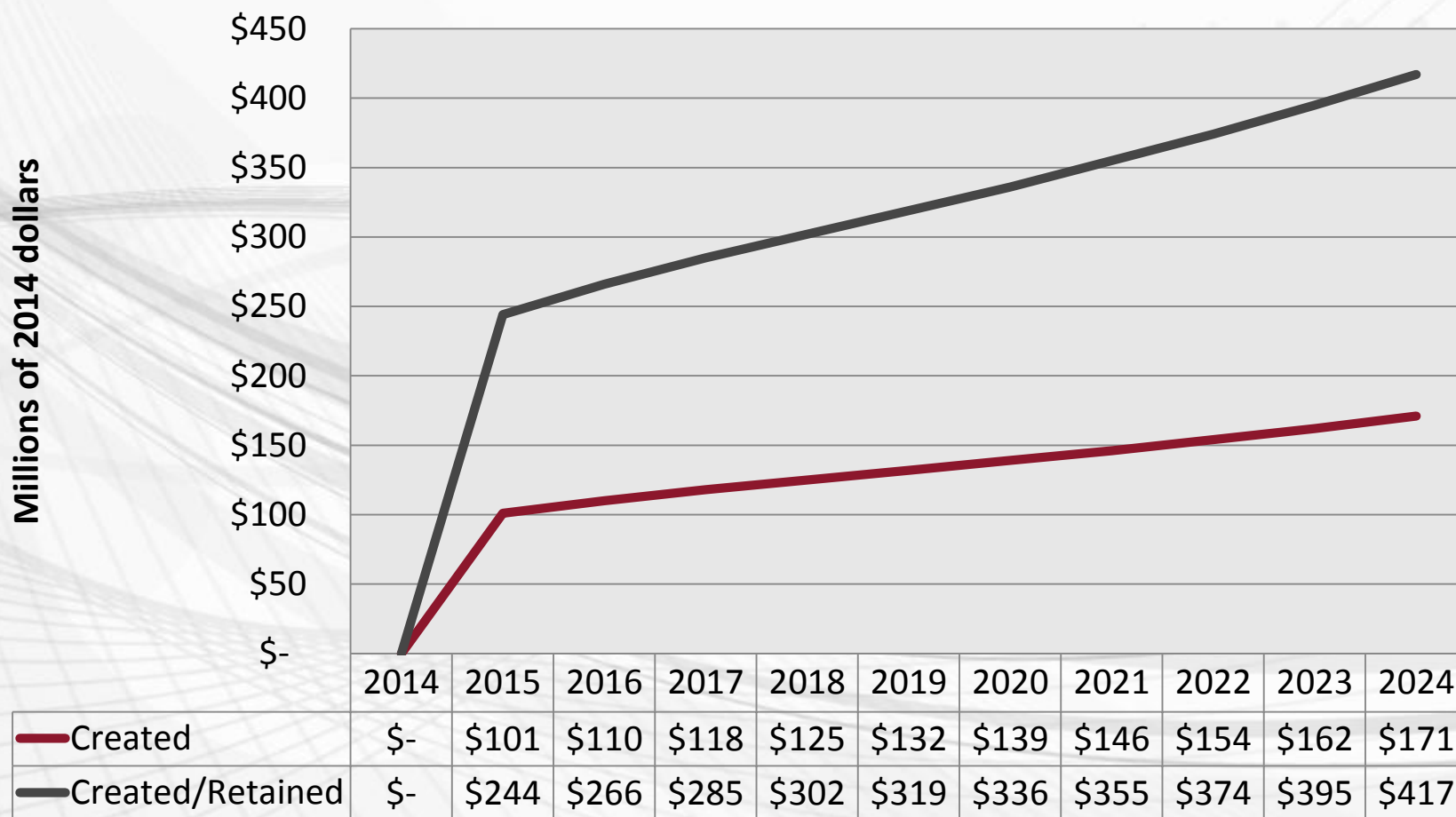
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Employment



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Gross State Product



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Fiscal Impact



JOBS CREATED CASE

Category	3% discount	7% discount
Present Value of Benefits (revenue)	\$52.88	\$44.29
Present Value of Costs (tax credits)	\$43.28	\$37.23
Net Present Benefit (NPV)	\$9.59	\$7.06
Benefit-Cost Ratio (BCR)	1.2216	1.1896
Size of tax credit for each job (2020)	1 job for each \$8,787 in credit	
GSP for \$1 in tax credit (2020)	\$13.98 in GSP per \$1 of credit	

JOBS CREATED/RETAINED CASE

Category	3% discount	7% discount
Present Value of Benefits (revenue)	\$126.50	\$105.95
Present Value of Costs (tax credits)	\$43.28	\$37.23
Net Present Benefit (NPV)	\$83.22	\$68.72
Benefit-Cost Ratio (BCR)	2.9225	2.8459
Size of tax credit for each job (2020)	1 job for each \$3,571 in credit	
GSP for \$1 in tax credit (2020)	\$33.63 in GSP per \$1 of credit	

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